Secdt. II-57—100,000—21-5-48.

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Revenue (1948) Department.

SERIES.

G.O. No. 2380

Dated 4.10.1948.

[Despatch Abstract.]

Tax - The Madras Entertainments Tax Act 1939 - Resale of tickets for entertainments - Introduction of provision in the Madras Entertainments Tax Act - Proposals - Dropped.

REVENUE DEPARTMENT
SUBJECT

Bills - The United Provinces Enter..... ...tting Tax (Amendment Bill , 1948 - Provision to prevent resale of tickets in the Madras Entertainment Tax Act. - Proposal - Board's remarks submitted.

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Ref.T.No.5020/48-3,

Station: Madras. Dated 21st July 1948.

From

Khan Sahib Md. Sultan Mohiuddin Hussain Sahib Bahadur B.A.,
Addl. Joint Secretary, Board of Revenue.

S.Ranganathan Esq., O.E., I.C.S.,
Commissioner of Land Revenue and Commercial Taxes.

Read the following:-

From the Government Revenue Department Memo. No.30460 N/48-1, dated 31-3-1948.
From the Government Revenue Department Memo. No.30460 N/48-5, dated 24-6-1948.
From the Deputy Commissioner (South) Rc.No.1038/48-, dated 4-7-1948.
From -do- (North) L.Dis 1782/48, dated 4-7-1948.
From -do- (Central)L.Dis 1194/48, dated 13-7-1948.

A copy of the report from the Commercial Tax Officer, (North Madras) on the extent of resale of tickets and its effect on the revenue to the Government is sibmitted. The resale of tickets does not affect Government revenue. The Commercial Tax Officer's suggestion that the proprietors of talkie houses etc. may be told to sell tickets at the entrance into the halls and the purchasers forced to enter the hall is not practicable. The public too may not like this idea.

As reported by the Commercial Tax Officer the malpractice of resale by purchasers for profit takes place som times in tickets of lower denomination generally in Madras City, Mostly when the film or dramas are popular and attractice. It is not prevalent in other districrs though occasionally a few tickets are resold when there is a big rush for popular films. The opinion among the Commercial Tax Officers, is divided. Some say that the malpractice may be made punishable whilst other say that it is not necessary. I am not in favour of the provision being made in the Madras Entertainmen Tax Act at present. This question may be considered if the malpractice increases.

Sd/ xx xx xx
Deputy Commissioner.

Copy te of L.Dis 1913/48 dated 30-6-1948 from the Commercial Tax Officer, North Madras to the Deputy Commissioner Central, Madras.

The pactice of resale of tickets for profits is prevalent occasionally in Madras in the case of rare films for which there is great rush for admission. People who detest taking their turn in the queue and who do not mind paying a little more to secure a ready and trouble-free ticket forster this practice. However reprehensible this unsocial practice may be, it does not affect the revenues of the State.

The practice prevails only in the case of tickets of lower denominations. It is resortsed by the members of the booking staff of the theatres joining hands with the unscrupulous members of the Public who intend to make some money by this means.

Contd.

Even if this practice is declared as an offence by necessar legislation it will be almost impossible for officers of this department to detect the offences. It is equally ~~detecting such-ei~~ ees doubtful how far the police will be inclined or successful in detecting such offences. The theatre management is best suite and equipped to detect these offences not merely because of the facility they possess but also because they are vitally interest in putting the malpractice which is likely to under mine their revenues in the long run. If full benefit is to be derived from the proposed legislation the Police ought to be compelled to take cognisance of the complaint in this respect from theatres managements.

A better and easierway to prevent this evil practicewill be for the managements to sell tickets of the lower denomination each door or entrances leading directly into the hall whereby the purchaser of a ticket is forced to take his seat inside the theatre at least for sometime without the facility to go out and pass on the ticket to someone else. It is to be hoped that this suggestion will be welcomed and acted upon by the theatre managements, if it comes from the Government.

The original B.P has been forwarded to the Commercial Tax Officer South Madras.

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Reference:.

Submitted to theGovernment.

2. The Board considers that though there is no fear of losingthe Government revenue even if resale of tickets takes place, yet there should be a provision in the Act penalisi such resales which amount to blackmarketing of tickets. It there recommends that the proposed Section 9 (b) 1 and 2 of the U.P. Bill may be adopted as section 7-4 (a) and (b) of the Madras Entertainments Tax Act and steps be taken to amend it accordingly

Sd/-xxxxxx
for Additional Joint Secretary.

To the Secretary to Government, Revenue Department.

Copy of letter No.C.1038/48, dated 4-7-1948 from the Deputy Commissioner (South) Coimbatore.

I invite attention to m y reference 322/48, dated 21-2-1948 suggesting the removal of free pass system or imposing restrictions compelling the sealing of tickets for exempted entertainments etc. If the Government decides to abolish the free pass system, proposed section 5 in the U.P Bill may be adopted.

In respect of certain popular pictures resale of tickets is commonly resorted to in the first few days or week of the show. There should be a provision for making resale of tickets an offence under the M.E.T.Act. Provision like that ~~for~~ in the proposed Sec.9 B(11 and 12) may be adopted but the words for "profit may be deleted as it will cause complication in enforcing the provision because even the element of profit has to be proved.

Copy of letter No.L.Dis 1782/48, dated 7-7-1948 from the Deputy Commissioner North.

It is desirable to introduce in the Madras Entertainment Tax Act a provision to penalise the resale of tickets similar to that in Section 9(b) of the United Provinces Entertainments and Betting Tax (Amendment) Bill, 1948. In this Connection I al suggest the introduction of provisions in the Madras Entertainmer Tax similar to that of section 5 of United Provinces Entertainmer and Betting Tax Amendment Bill 1948 to penalise besides the propr tors of the Entertainments for admitting persons without tic to the entertainments to penalise also the persons enter places of entertainment without tickets.

GOVERNMENT OF MADRAS

ABSTRACT.

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Tax - The Madras Entertainments Tax Act 1939 - Resale of tickets for entertainments - Introduction of provision in the Madras Entertainments Tax Act - Proposals - Dropped.

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